

## FINAL STATEMENT OF REASONS

a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are NecessarySections 63-410.37 through .373Specific Purpose:

These sections are being repealed to avoid county errors and accompanying federal financial penalties for California. These sections define policy for an individual whose able-bodied adult without dependents (ABAWD) status changes from exempt to nonexempt. For a quarterly reporting household, the ABAWD would be considered exempt for the quarter in which the exemption stops, a change reporting household would be exempt only until the change is reported, and an individual whose exemption stops for a reason not subject to reporting requirements would be assessed for exemption status at recertification.

Factual Basis:

Repealing these sections are necessary to conform to revised federal policy issued to the California Department of Social Services on May 27, 2005 from the United States Department of Agriculture, Food and Nutrition Service. This policy provides that an individual loses ABAWD exemption status as soon as the county discovers that the exemption has stopped and the individual is notified of the need to satisfy the ABAWD work requirement. An individual cannot be considered exempt for the remainder of the quarter in which the exemption stops.

b) Identification of Documents Upon Which Department Is Relying

- 7 CFR 273.24
- Correspondence received from the Food and Nutrition Service on May 27, 2005 that addresses treatment of an individual whose ABAWD status changes from exempt to non-exempt.

c) Local Mandate Statement

These regulations impose a mandate on local agencies but not on school districts. There are no state mandated costs in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code because any costs associated with the implementation of these regulations are costs mandated by the federal government.

d) Statement of Alternatives Considered

CDSS has determined that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

e) Statement of Significant Adverse Economic Impact On Business

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

f) Testimony and Response

There was neither written testimony received nor oral testimony presented as a result of this regulation at the March 15, 2006 public hearing.

g) 15-Day Renotice Statement

A 15-day renotice was not required because there were no changes following the public hearing.